

Message Text

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PAGE 01 LONDON 13933 301514Z
ACTION L-03

INFO OCT-01 EUR-12 EB-08 ISO-00 TRSE-00 /024 W
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R 301502Z AUG 78
FM AMEMBASSY LONDON
TO AMEMBASSY SINGAPORE
INFO SECSTATE WASHDC 9539

UNCLAS LONDON 13933

E.O. 11652: N/A
TAGS: EFIN, UK, US
SUBJECT: US-UK TAX TREATY

REF: SINGAPORE 3811

1. THE DOUBLE TAXATION TREATY BETWEEN THE U.S. AND THE U.K. WAS SIGNED IN LONDON ON 31 DECEMBER 1975. ARTICLE 9(4) OF THE TREATY GIVING RELIEF FROM UNITARY TAX TO THE U.K. HAS BEEN SUBJECT TO A RESERVATION BY THE U.S. SENATE. WHAT FOLLOWS IS EXCERPT FROM U.S. TREASURY PRESS RELEASE OF NOVEMBER 5, 1975, SUMMARIZING MAIN DETAILS:

"UNDER THE PROPOSED NEW TREATY THE UNITED KINGDOM WILL PAY A TAX CREDIT TO UNITED STATES INVESTORS IN UNITED KINGDOM CORPORATIONS WITH RESPECT TO THE ADVANCE CORPORATION TAX COLLECTED IN THE UNITED KINGDOM. IN THE CASE OF DIVIDENDS PAID BY A CORPORATION RESIDENT IN THE UNITED KINGDOM TO A UNITED STATES CORPORATION WHICH CONTROLS 10 PERCENT OR MORE OF THE VOTING STOCK OF THE UNITED KINGDOM CORPORATION THE PAYMENT BY THE UNITED KINGDOM WILL EQUAL ONE-HALF OF THE CREDIT WHICH WOULD BE PAYABLE TO AN INDIVIDUAL RESIDENT IN THE UNITED KINGDOM LESS 5 PERCENT OF THE AGGREGATE AMOUNT OF THE DIVIDEND AND THE TAX

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CREDIT. IN THE CASE OF OTHER UNITED STATES SHARE-

PAYABLE TO AN INDIVIDUAL RESIDENT IN THE UNITED KINGDOM LESS 15 PERCENT OF THE AGGREGATE AMOUNT OF THE DIVIDEND AND THE TAX CREDIT.

THE UNITED STATES WILL REDUCE ITS WITHHOLDING TAX ON DIVIDENDS GOING TO CORPORATE INVESTORS

RESIDENT IN THE UNITED KINGDOM AND OWNING 10 PERCENT OR MORE OF THE VOTING STOCK OF A UNITED STATES CORPORATION TO 5 PERCENT. THE TREATY WILL LIMIT THE UNITED STATES WITHHOLDING TAX ON DIVIDENDS PAID TO OTHER UNITED KINGDOM SHAREHOLDERS OF UNITED STATES CORPORATIONS TO A MAXIMUM OF 15 PERCENT. THE EXISTING RECIPROCAL TREATY EXEMPTION FROM WITHHOLDING FOR PAYMENTS OF INTEREST AND ROYALTIES WILL CONTINUE TO APPLY.

ALTHOUGH NOT INCORPORATED IN THE CONVENTION IT IS ANTICIPATED THAT THE UNITED KINGDOM WILL TAKE STEPS TO PUT UNITED STATES BRANCH BANKS OPERATING IN THE UNITED KINGDOM ON THE SAME FOOTING WITH RESPECT TO FOREIGN TAX CREDITS AS BRITISH BANKS."

2. PLEASE NOTE TREATY IS NOT YET OPERATIVE PENDING RESOLUTION OF SENATE RESERVATION AND ANY PARLIAMENTARY REACTION.

STREATOR

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX AGREEMENTS, DOUBLE TAXATION
Control Number: n/a
Copy: SINGLE
Draft Date: 30 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LONDON13933
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780355-1078
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978089/aaaaaheh.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 414d9a67-c288-dd11-92da-001cc4696bcc
Office: ACTION L
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1812700
Secure: OPEN
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Subject: US-UK TAX TREATY
TAGS: EFIN, UK, US
To: SINGAPORE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/414d9a67-c288-dd11-92da-001cc4696bcc
Review Markings:
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